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U.S. Dept. of Treasury

Income tax

New York

[1913]



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# Income Tax

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## Regulations

of the

## Treasury Department

Approved October 25, 1913

Compliments of

**Redmond & Co.**

33 Pine Street  
New York



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# Income Tax

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INCOME TAX LAW  
EXPLANATION OF THE REGULATIONS  
ADOPTED BY THE UNITED STATES  
TREASURY DEPARTMENT RE-  
GARDING TAXATION AT  
THE SOURCE

For the convenience of our clients we print herewith the regulations which have just been adopted by the United States Treasury Department. These regulations are limited to the scheme of taxation at the source which the Income Tax Law prescribes.

In brief, the Income Tax Law adopted the so-called system of taxation at the source which has been in vogue in other countries, particularly in England, for a number of years, the idea being that if one person pays to another by way of interest, rent, or other fixed charge, an annual or periodical amount, the debtor shall deduct and turn over to the Government the amount requisite to cover what is described in the statute as the normal income tax. The system of taxation at the source is only concerned with this normal tax; the increasing scale of super tax, provided for by the statute with respect to incomes exceeding twenty thousand dollars per annum and upwards, not being collectible by means of this process.

CORPORATIONS AND ALIEN NON-  
RESIDENTS EXEMPT

A question of great importance to the bondholder in presenting his coupons for payment is whether he is entitled to exemption of the kind provided in the statute, and the Treasury Department has provided for this in the accompanying regulations.

In the case of certain classes of bondholders no deduction of the tax is made at the source, because the statute exempts them.



Thus, if the bondholder is a corporation organized under the laws of any state of this country or its possessions, no tax will be deducted upon coupons owned by it, because, as the regulations recognize, the Income Tax Law exempts corporations owning bonds from this system of taxation at the source, since the corporation itself is taxed upon its income by another method of procedure. If the bondholder is an alien not residing within this country, the statute imposes no tax upon his income.

#### DEDUCTIONS ALLOWED TAXABLE PERSONS

Also, in the case of any person subject to the tax, deductible at the source, that is, an individual who is a citizen or resident of the United States, the statute allows certain exemptions.

The tax is imposed upon the net income, and in computing net income the statute (Par. B) allows the following deductions to be made from the gross income: First, necessary expenses actually made in carrying on any business not including personal, living or family expenses; second, all interest paid within the year on debts; third, all national, state, county, school and municipal taxes paid within the year, not including those assessed against local benefits; fourth, losses actually sustained during the year, incurred in trade or arising from fire, storms or shipwreck, and not compensated for by insurance or otherwise; fifth, debts, due to the tax payer actually ascertained to be worthless and charged off within the year; sixth, a reasonable allowance for exhaustion, wear and tear of property arising out of its use or employment in the business (not to exceed in the case of mines five per cent. of the gross value at the mine of the output for the year) but no deduction can be made for any amount of expense of restoring property or making good the exhaustion thereof for which allowance is or has been made and no deduction shall be allowed for any amount paid out for new buildings, permanent improvements or betterments made to increase the value of any property or estate; seventh, the amount received as dividends upon the stock or from the net earnings of any corporation, joint stock company, association or insurance company,

which itself is taxable upon its net income under the statute; eighth, the amount of income the tax upon which has been paid or withheld for payment at the source of the income under the provisions of the statute.

After ascertaining the bondholder's net income by means of the above method the exemptions in question are allowed. The statute (Par. C) states these exemptions as follows: From the amount of the net income ascertained as above provided, shall be deducted the sum of \$3,000, plus \$1,000 additional if the person be a married man with a wife living with him, or plus the sum of \$1,000 additional if the person be a married woman with a husband living with her; but in no event shall this additional exemption of \$1,000 be deducted by both the husband and wife, and only one deduction of \$4,000 shall be made from the aggregate income of both husband and wife living together.

#### WHEN TAX IS COMPUTED

The tax is computed upon the net income accruing during each calendar year ending December 31; but for the year 1913, the tax shall be computed on the net income accruing from March 1 to December 31, both dates inclusive, after deducting five-sixths only of the specific exemptions and deductions above mentioned.

#### TAXABLE PERSONS MAY CLAIM EXEMPTION FROM DEDUCTION OF TAX AT THE SOURCE

In deducting the tax at the source the statute allows a claim of exemption to be filed with the debtor corporation, and if such claim states the exemption then the debtor corporation is not required to deduct the tax from the source. The forms which the Treasury Department has prescribed allow for such a claim, and go even further, because if, as may happen in the beginning of the calendar year, the tax being computed by the calendar year, the bondholder is not certain whether his income will exceed the exempt figures above named, he may state that he does not *then* claim



exemption; and such a statement, we apprehend, will not bar him from—later in the year—claiming exemption with respect to a subsequently accruing coupon if he then finds that his income does not exceed the exempt figure.

The regulations require that each bondholder attach to his coupons, when he deposits them with his bank for collection, a statement to the effect above mentioned, claiming or stating that he does not then claim exemption based upon any of the grounds above stated, and giving also his name and address. If such a statement is furnished with the bonds the tax is not deducted by any bank through whose hands the coupons pass, but only by the debtor corporation or its paying agent when the coupons are presented for payment. If, however, the bondholder omits to furnish such a statement then it is the duty of the bank receiving his coupons for collection to deduct the tax.

The effect of these regulations, as we read them, will be to protect, as far as the Government can, an exempt person from taxation. All the Government requires of him is to furnish a statement to the effect that he is exempt, and thereupon he will receive payment in full. In the case of a person who is not exempt the same information is required by the Government, but a person is not bound by such a statement from afterwards claiming exemption if at the close of the current year it appears that his income was less than the figure above which the Government exacts a deduction.

We venture to suggest that it would be far better for every bondholder to attach to his coupons a statement as required by the Department, because in a great number of cases the mortgage securing the average bond guarantees the payment of the coupon in full without deduction for income tax, thus imposing upon the corporation the duty of paying the tax for the bondholder even if his statement shows that he is not then exempt. If the bondholder, however, does not furnish such a statement claiming or not claiming exemption, then, under these regulations, the tax is not deducted by the debtor corporation, but by the bank

handling the coupons for collection; and, as that bank is not a party to the mortgage, it is under no contract obligation to pay the coupon in full and is required under the Treasury regulations to deduct it. So we strongly recommend that our clients see to it that their statements are attached to the coupons when they are received by their bankers for collection.

## FOREIGN INCOME

In the case of foreign income, that is, the income from bonds issued in foreign countries, the tax is deducted by the first licensed foreign exchange firm handling the checks in payment of the interest. And the deduction of the tax in such case is shown by the same, or by the endorsement of such firm upon the check. The bondholder, however, if exempt, may, just as has been provided above in the case of domestic bonds, file with this firm a statement claiming exemption, in which event the tax shall not be deducted.

The Regulations in their present form are subject to revision by the Treasury Department. Our interpretation of their purport is based upon the best advice obtainable, but is likewise subject to revision.

**Redmond & Co.**



## REGULATIONS

REGARDING THE DEDUCTION OF THE INCOME TAX AT THE SOURCE ON INTEREST MATURING ON BONDS, NOTES, AND OTHER SIMILAR OBLIGATIONS OF CORPORATIONS, JOINT-STOCK COMPANIES, OR ASSOCIATIONS AND INSURANCE COMPANIES, UNDER THE PROVISIONS OF SECTION II OF THE ACT OF OCTOBER 3, 1913.

### TAX TO BE DEDUCTED AT SOURCE

Under the income-tax law, enacted October 3, 1913, a tax of one per cent, designated in the law as the *normal tax*, shall be deducted at "the source," beginning November 1, 1913, from all income accruing and payable to:

(a) Every citizen of the United States, whether residing at home or abroad; and to

(b) Every person residing in the United States, though not a citizen thereof,

which may be derived from interest upon bonds and mortgages, or deeds of trust, or other similar obligations, including equipment trust agreements and receivers' certificates of corporations, joint stock companies or associations, and insurance companies, although such interest does not amount to \$3,000, excepting only the interest upon the obligations of the United States or its possessions, or a State or any political subdivision thereof.

The term "debtor," as hereinafter used, shall be construed to cover all corporations, joint stock companies or associations, and insurance companies.

### WHEN TAX SHALL BE WITHHELD BY DEBTOR

For the purpose of collecting this tax on all coupons and registered interest originating or payable in the United States the source shall be the debtor (or its paying agent in the United States), which

shall deduct the tax when same is to be withheld, and no other bank, trust company, banking firm, or individual taking coupons or interest orders for collection, or otherwise, shall withhold the tax thereon: *Provided*, That all such coupons or orders for registered interest are accompanied by certificates of ownership signed by the owners of the bonds upon which the interest matured. These certificates shall be in the forms hereinafter prescribed, and a separate certificate shall be made out by each owner of bonds for the coupons or interest orders for each separate issue of bonds or obligations, of each debtor.

### WHEN TAX SHALL BE WITHHELD BY FIRST COLLECTING AGENCY

If, however, the coupons or interest orders are not accompanied by certificates as prescribed above, the first bank, trust company, banking firm, or individual, or collecting agency receiving the coupons or interest orders for collection, or otherwise, shall deduct and withhold the tax and shall attach to such coupons or interest orders its own certificate, giving the name and address of the owner of, or the person presenting such coupons or interest orders if the owner is not known, with a description of the coupons or interest orders; also setting forth the fact that they are withholding the tax upon them; whereupon the debtor shall not again withhold the tax on said coupons or interest orders, but in lieu thereof shall deliver to the Government the certificate of such bank, trust company, etc., which is withholding such tax money.

Any corporation, collecting agency, or person first receiving from the owner any interest coupons or orders for the collection of registered interest, and to whom the certificates above provided for are delivered, should require the persons tendering such coupons or orders for registered interest to satisfactorily establish their identity.

### PAYMENT OF REGISTERED INTEREST BY DEBTORS

A debtor, whose bonds may be registered, both as to principal and interest, shall deduct the normal



tax of one per cent from the accruing interest on all bonds before sending out checks for said interest to registered owners or before paying such interest upon interest orders signed by the registered holders of said bonds until there shall be filed with said debtor or its fiscal agent (and not later than thirty (30) days prior to March 1), through whom said interest is customarily paid, the proper certificates claiming exemption from liability for said tax as herein provided, executed as follows:

- By a citizen or resident of the United States, the bona fide owner of the registered obligations, who may claim exemption under paragraph C, Section II, of the Federal income-tax law, or
- By corporations, joint stock companies, associations, or insurance companies organized in the United States, or organizations, associations, fraternities, etc., which are either taxable or exempt from taxation, as provided in paragraph G, subdivision A of the act, or
- By a bona fide resident and citizen of a foreign country, claiming exemption as such.

#### DESIGNATION OF FISCAL AGENCIES

The "debtor" may appoint paying or fiscal agents to act for it in matters pertaining to the collection of this tax upon filing with the collector of internal revenue for its district a proper notice of the appointment of such agent or agents.

#### CERTIFICATES CLAIMING EXEMPTION

If the owners of the bonds are individuals who are citizens or residents of the United States, the aforesaid certificates shall accompany the coupons, or, with respect to the interest on registered bonds, shall be filed with payer of said interest, and such certificates shall describe the bonds and show the amount of coupons attached or the amount of interest due such owners on registered bonds and the full name and address of the owners, and shall also state whether they claim or do not then claim exemption from taxation at the source provided for

by paragraph C, of Section II, of the Federal income-tax law (\$3,000, and under certain conditions \$4,000) as to the income represented by such coupons or interest.

The certificate shall also show the amount, if any, of exemption claimed and the date of signature.

The form of certificate to be used for this purpose shall be substantially as follows:

#### FORM OF CERTIFICATE TO BE PRESENTED WITH COUPONS OR INTEREST ORDERS STATING WHETHER OR NOT EXEMPTION IS CLAIMED UNDER PARAGRAPH C, SECTION 2, OF THE FEDERAL INCOME TAX LAW

I do solemnly declare that I, .....,  
a citizen or resident of the United States, and  
residing at ....., am the owner of  
\$..... bonds of the denominations of \$..... each,  
Nos. ....  
.....  
of the .....

(Give name of debtor.)

known as ..... bonds,  
(Describe the particular issue of bonds.)  
from which were detached the accompanying  
coupons, due ....., 191..., amounting to  
\$....., or upon which there matured .....,  
191..., \$..... of registered interest.

I { do } now claim, with respect to the income  
{ do not } represented by said interest, the benefit of a deduc-  
tion of \$..... allowed under paragraph C,  
Section II, of the Federal income-tax law.

Name.....  
Address.....

Date ....., 191....

Whenever interest coupons, accompanied by a certificate of an individual who is a citizen or resident of the United States, as aforesaid, are presented to a debtor or its fiscal agent for payment, or whenever interest is payable to such individual on a bond registered as to both principal and interest, the debtor or its fiscal agents shall deduct and withhold



the amount of the normal tax, except to the extent that exemption is claimed in the certificate of ownership in the form herein prescribed.

Where the interest to be paid is registered, the same form of certificate shall be used where exemptions are claimed, except that it shall be filed with the debtor at least five (5) days before the due date of such interest.

#### BY WHOM SIGNED

These certificates must be signed by the claimants with their full name, and contain their post-office and street address, also the date when signed.

Duly authorized agents, trustees acting in a trust capacity, etc., may sign such certificates for the persons for whom they act.

#### ORGANIZATIONS WHOSE INTEREST COUPONS ARE NOT TAXED AT SOURCE

If the owners of the bonds are corporations, joint stock companies, associations, or insurance companies organized in the United States, no matter how created or organized, or organizations, associations, fraternities, etc., which are either taxable or exempt from taxation as provided in paragraph G, subdivision A of the act, the debtor is not required to withhold or deduct the tax upon income derived from interest on such bonds, provided coupons or orders for interest from such bonds shall be accompanied by a certificate of the owners thereof certifying to such ownership, which certificates shall be filed with the debtor when such coupons or interest orders are presented for payment.

Such certificate shall be substantially in the following form:

#### CERTIFICATE TO BE FURNISHED BY ORGANIZATIONS NOT SUBJECT TO TAX ON INTEREST AT SOURCE

I, .....  
(Give name.)  
the ..... of the .....  
(Give official position.) (Name of organization.)

a ..... of ..... located  
(Character of organization.) (State.)  
at ..... do solemnly declare that  
(Post-Office address.)  
said .....  
(Give name of organization.)  
is the owner of \$ ..... bonds of the denomination  
of \$ ..... each, Nos. ....  
.....  
of the .....  
(Give name of debtor.)  
known as ..... bonds,  
(Describe particular issue of bonds.)  
from which were detached the accompanying  
coupons, due ..... 191..  
amounting to \$ ..... or upon which  
there matured ..... 191.. \$ ..... of  
registered interest, and that under the provisions  
of the income-tax law of October 3, 1913, said  
interest is exempt from the payment of taxes collect-  
ible at the source, which exemption is hereby  
claimed.

Name .....  
(Official position.)

Of .....  
(Name of organization.)

Date ..... 191.. Address .....  
(Post-office.)

This certificate must be signed by the full name of the organization, stating its place of business, and by the president, secretary, or some other principal officer of the said corporation or organization duly authorized to sign same, together with the date of execution.

#### HOW COLLECTED WHEN NOT ACCOMPANIED BY THE CERTIFICATE OF OWNER

Where coupons or interest orders are not accompanied by the ownership certificates, the form to be executed by the first bank, trust company, banking firm, individual, or collection agency receiving the same for collection or otherwise, which must accompany the coupons or interest orders, shall be substantially as follows:



FORM OF CERTIFICATE TO BE PRESENTED  
WITH COUPONS OR INTEREST ORDERS  
WHEN NOT ACCOMPANIED BY CERTIFI-  
CATE OF OWNERS

I, ....., the .....  
(Name) (Official position.)  
of the ....., of  
(Bank or collecting agency.)  
....., do solemnly declare  
(Address.)  
that said ..... has (or have) pur-  
chased or accepted for collection the accompanying  
coupons or interest orders amounting to \$.....  
and which represent interest matured on \$.....  
of bonds of the ..... and that  
(Name of debtor.)  
..... received said coupons or  
(Collecting agency.)  
orders for registered interest from .....  
.....  
(Name of party from whom received.)  
of .....  
(Address of said party.)  
and that no certificate of ownership accompanied  
said coupons or interest orders, and .....  
..... hereby acknowledges responsibil-  
(Collecting agency.)  
ity of withholding therefrom the normal income tax  
of 1 per cent., in accordance with the regulations  
of the Treasury Department.

Name .....  
(Collecting agency.)

By .....  
(Signature of officer duly  
authorized to sign, and his  
official position.)

Address .....  
(Give full address.)

Date, ..... 191..

This certificate shall be dated and signed by and  
shall state the address of the corporation, organiza-  
tion, collecting agency, or person withholding the  
tax, with full name and address.

FINAL DISPOSITION OF CERTIFICATES

The debtor or paying agents shall deliver all  
certificates, with the list of names and addresses of  
those for whom the tax has been withheld, showing  
amounts, as required by law, to the *collector of  
internal revenue* for their district on or before  
the 20th day of the month succeeding that in which  
said certificates were received by them.

INTEREST DUE BEFORE MARCH 1, 1913

The tax shall not be withheld on coupons or  
registered interest maturing and payable before  
March 1, 1913, although presented for payment  
at a later date.

LICENSE REQUIRED FOR COLLECTION OF  
INCOME FROM FOREIGN COUNTRIES

All persons, firms, or corporations undertaking  
for accommodation or profit (this includes handling  
either by way of purchase or collection) the col-  
lection of coupons, checks, bills of exchange, etc., for  
or in payment of interest upon bonds issued in  
foreign countries and upon foreign mortgages or  
like obligations, and for any dividends upon stock  
or interest upon obligations of foreign corporations,  
associations, or insurance companies engaged in  
business in foreign countries, are required by law  
to obtain a license from the Commissioner of In-  
ternal Revenue and may be required to give bond  
in such amount and under such conditions as the  
Commissioner of Internal Revenue may prescribe.

BY WHOM TAX IS WITHHELD

The licensed person, firm, or corporation first  
receiving any such foreign items for collection or  
otherwise shall withhold therefrom the normal tax  
of one per cent, and will be held responsible there-  
for. He (the licensee) shall thereupon endorse  
or stamp thereon the words "Income tax withheld  
by" (giving his or their name, address, and date),  
which shall be sufficient evidence to relieve subse-  
quent holders or purchasers from the duty of also  
withholding the income tax.



If the size or nature of such coupons, checks, etc., makes it impracticable to make said endorsement as above, a statement identifying the item on which tax is withheld and bearing said endorsement may be attached thereto with the same effect as if the endorsement was made directly thereon.

#### LIST OF TAX COLLECTIONS ON FOREIGN ITEMS

Such licensee shall obtain the names and addresses of the persons from whom such items are received, and shall prepare a list of same and file it with the collector of internal revenue for his district not later than the 20th of the month next succeeding the receipt of such items. The list shall be dated, and shall contain the names and addresses of the taxable persons and the amount of tax deducted, and from what source collected.

#### CERTIFICATES TO SECURE TAX EXEMPTION ON FOREIGN ITEMS

In the event such coupons, checks, or bills of exchange above mentioned are presented for collection by an individual claiming the benefit of the deductions allowable under paragraph C, Section II, of the Federal income-tax law, such individual shall be permitted to avail himself of the deduction claimed, upon signing on the form heretofore prescribed for coupons payable in the United States, and no tax shall be deducted for the amount of the exemption so claimed; or if such items are presented by corporations, joint stock companies, or associations and insurance companies, organized in the United States, the form of certificate heretofore prescribed for such organizations shall be used, and in such instances no tax shall be deducted.

In both instances the licensee first receiving such items shall retain such certificates for delivery with the lists aforesaid to the collector of internal revenue for his district not later than the 20th of the month next succeeding that in which said items were received, and with respect to said coupons, checks, or bills of exchange, said licensee shall attach thereto (identifying the items) or endorse,

or stamp thereon the words "Income tax exemption claimed through" (giving name and address of licensee), which shall be sufficient evidence to relieve subsequent holders or purchasers from the duty of also withholding the tax thereon.

The provisions for collection of the tax on foreign obligations set forth in this section of the regulations include the interest upon all foreign bonds, even though the coupons may be at the option of the holder, payable in the United States as well as in some foreign country.

#### ACCURATE RECORD TO BE KEPT BY LICENSEES

All persons licensed shall keep their records in such manner as to show from whom every such item has been received, and such records shall be open at all times to the inspection of internal-revenue officers.

#### PENALTY FOR OMISSION TO OBTAIN LICENSE

Failure to obtain license or to *comply with regulations* is punishable by a *fine* not exceeding \$5,000, or imprisonment not exceeding one year, or both, in the discretion of the court. Such licenses shall continue in force until revoked.

Application for such licenses should be made to the collectors of internal revenue for the district in which they are engaged in business, and may be issued without cost to such persons as the commissioner may approve, upon their filing with the collector the bond herein provided for.

All persons in making application to the collector of internal revenue for such licenses, shall register their names and addresses and state the nature of the business in which they are engaged. Such application for the license, accompanied by a proper surety bond, when both have been approved by the collector, will be considered a sufficient compliance with the law to enable the persons making application to do business until February 1, 1914, without incurring the penalties provided by law for failure to procure the required license.



## PENALTY FOR FALSE STATEMENTS

If any person, for the purpose of obtaining any allowance or reduction by virtue of a claim for exemption, either for himself or for any other, knowingly makes a false statement or false or fraudulent representation, he is liable under the act to severe penalties.

## PARTNERSHIPS

Where coupons or interest orders, presented for payment, represent the interest on bonds, or other similar obligations, owned by a partnership, they shall be accompanied by a certificate of ownership, which shall be signed either in the firm's name by one member of the firm or by each individual member of the partnership, and the normal tax shall be withheld by the debtor with respect to the income represented by said interest.

Said certificate of ownership shall be in substantially the following form:

### FORM OF CERTIFICATE TO BE FILLED OUT AND SIGNED BY MEMBERS OF PART- NERSHIPS.

The following certificate should be used when coupons or interest orders are presented by citizens or residents of the United States for collection of interest on bonds, or other similar obligations, owned by the partnerships of which they are members:

I, ....., a member of the firm or partnership of ..... of ..... and residing at ..... (Give full address.) do solemnly declare that the said partnership is the owner of \$ ..... bonds of the denomination of \$ ..... each, Nos. .... of the ..... (Give name of debtor.) known as ..... bonds, (Describe the particular issue of bonds.) from which were detached the accompanying interest coupons, due ..... 191..., amounting to \$ ..... , or upon which there matured .....

191..., \$ ..... of registered interest, and that the name and address of said firm or partnership, and the names of the individual members thereof, and their places of residence, are as follows:

Names of partners: ..... Address: .....  
.....  
.....  
.....

Name of partner signing: .....  
Of firm of: .....  
Address: .....

Date ..... 191....

Any member of a partnership, who is entitled to a deduction (under paragraph C, Section II, of the Income Tax Law) of his pro rata share of the tax which may be withheld at the source on interest on bonds owned by his copartnership, as above, may claim such deduction or allowance when he shall make his individual income tax return for the year in which said deduction at the source was made.

### NON-RESIDENT FOREIGNERS OWNING INTEREST-BEARING BONDS NOT SUBJECT TO TAXATION ON INCOME FROM SUCH BONDS IF PROPER CERTIFICATE FURNISHED

This tax will not be deducted from the income which may be derived from interest on bonds, mortgages, equipment trusts, receivers' certificates, or other similar obligations of which the bona fide owners are citizens of foreign countries residing in foreign countries: *Provided*, That such interest coupons, or in case of wholly registered bonds, the orders for the payment of such interest, shall be accompanied by duly certified certificates hereinafter provided for to cover the cases of foreign and non-resident owners of bonds and other securities.

Unless such proof of foreign ownership is duly furnished, the normal tax of one per cent. shall be deducted as herein provided.

Such certificate shall be in substantially the following form:



FORM OF CERTIFICATE TO BE PRESENTED  
WITH COUPONS OR INTEREST ORDERS,  
DETACHED FROM BONDS OR OTHER  
OBLIGATIONS OWNED BY THOSE WHO  
ARE BOTH CITIZENS OR SUBJECTS, AND  
RESIDENTS OF FOREIGN COUNTRIES

I do solemnly declare that I am not a citizen or  
resident of the United States of America, but a  
subject (or citizen) of ..... and  
that I am the owner of ..... bonds of the  
denominations of \$..... each, Nos.....

..... known as  
of the ..... (Give name of debtor corporation.)

..... bonds,  
(Describe the particular issue of bonds.)  
from which were detached the accompanying  
coupons, due ..... 191.., amounting to  
\$....., or upon which there matured .....  
191.., \$....., of registered interest, and that  
being a non-resident foreigner, I am exempt from  
the income tax imposed on such interest by the  
United States Government under the law enacted  
October 3, 1913, and that no citizen of the United  
States, wherever residing, or foreigner residing  
in the United States, or any of its possessions,  
has any interest in said bonds, coupons, or interest.

Signature of owner of bonds. .... (Give full name.)

Date....., 191...

Address..... (Give full Post-office address.)

TEMPORARY PROVISION

In view of the fact that the time required for  
the interpretation of the law and preparation and  
issuance of these regulations brings the date so  
near November 1, and that many coupons pay-  
able upon that date are already in transit without  
the prescribed certificates attached, with a desire  
to cause as small an amount of inconvenience as  
possible to bondholders and general business as  
may be compatible with the provisions of the law

and of these regulations, the following temporary  
provision is made:

On November 1, 1913, and for fifteen days there-  
after, coupons presented to a debtor need not be  
accompanied by certificates in any of the forms  
hereinbefore described, provided that such coupons  
are accompanied by a certificate substantially  
in the following form:

FORM OF TEMPORARY CERTIFICATES  
WHICH MAY BE USED ONLY PRIOR TO  
NOVEMBER 16, 1913, SUBJECT TO SUB-  
STITUTION

I (we) hereby certify that I am (we are) lawfully  
entitled to present for payment the accompanying  
coupons or interest orders amounting to \$.....  
(giving amount) representing interest matured on  
the following bonds ..... (giving  
name of debtor and designating the description,  
style, and numbers of the bonds); that said coupons  
or interest orders came into my (our) possession  
unaccompanied by a certificate of ownership of  
said bonds, in any of the forms required by the  
regulations of the United States Treasury Depart-  
ment; and that the name and address of the owner  
of such bonds are as follows: .....

(Give name and address of owner; if impossible to do this  
so state.)

Name of person, firm, or corporation presenting  
coupons: .....

Address.....

On or before February 1, 1914, certificates of the  
ownership of any of the bonds upon which was  
collected the interest referred to in such tem-  
porary certificates, in any of the forms above set  
forth, may be delivered to the debtor; and said  
debtor may thereupon return any sum withheld to  
which the owner of such bonds may be entitled  
under the law and regulations upon the facts dis-  
closed by such ownership certificates. Any tem-  
porary certificates relating to bonds, for which



certificates of ownership shall not have been substituted with the Debtor, shall, on or before March 1, 1914, be delivered to the collector of internal revenue.

All forms of certificates herein provided for shall be 8 inches wide and  $3\frac{1}{2}$  inches from top to bottom, and printed on paper corresponding in weight and texture to glazed bond paper 17 by 28, about 26 pounds to the ream of 500 sheets, or white writing paper 21 by 32, about 32 pounds to the ream of 500 sheets, and the person or corporation first receiving coupons for collection shall write or stamp his or its name and address and date on the back of said certificates.

W. H. OSBORN,  
*Commissioner of Internal Revenue.*

Approved, October 25, 1913.

W. G. McADOO,  
*Secretary of the Treasury.*



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## **Redmond & Co.**

33 Pine Street  
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Securities on Commission and act  
as fiscal agents for Corporations.

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**New York Stock Exchange**

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**High Grade**

**Investment Securities**



**END OF  
TITLE**